

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2006-154-C - ORDER NO. 2006-602
OCTOBER 13, 2006

IN RE:	Application of Managed Services, Inc. for a)	ORDER GRANTING
	Certificate of Public Convenience and)	CERTIFICATE AND
	Necessity to Provide Facilities Based Local)	APPROVING MODIFIED
	Exchange and Resold Local Exchange)	ALTERNATIVE
	Services, Resold Long Distance)	REGULATION AND
	Telecommunications Services and for)	FLEXIBLE
	Flexible Regulation of its Local Exchange)	REGULATION
	Services and Alternative Regulation of its)	
	Long Distance Service Offering)	

This matter comes before the Public Service Commission of South Carolina (“Commission”) by way of the Application of Managed Services, Inc. (“Managed Services” or the “Company”) requesting a Certificate of Public Convenience and Necessity authorizing it to provide facilities-based and resold local exchange, and resold interexchange telecommunications services within the State of South Carolina. The Company’s Application was filed pursuant to S.C. Code Ann. §58-9-280 (Supp. 2005) and the rules and regulations of the Commission. By its Application, Managed Services also requests modified alternative regulation of its business services offerings identical to that granted to AT&T Communications in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C as modified by Order No. 2001-997, flexible regulation of its local exchange service offerings pursuant to Order No. 98-165 in Docket No. 1997-467-C, and waiver of certain Commission regulations.

The Commission's Docketing Department instructed Managed Services to publish, one time, a Notice of Filing in newspapers of general circulation in the areas of the state affected by the Application. The purpose of the Notice of Filing was to inform interested parties of the Application of Managed Services and of the manner and time in which to file the appropriate pleadings for participation in the proceeding. Managed Services complied with this instruction and provided the Commission with proof of publication of the Notice of Filing. A Petition to Intervene was filed by the South Carolina Telephone Coalition ("SCTC"). Subsequent to the intervention, Managed Services and SCTC reached a Stipulation, attached hereto as Order Exhibit 2.

Subsequently, Managed Services and ORS filed a Stipulation, and, subsequently, an Amended Stipulation, the latter of which is attached hereto as Order Exhibit 1. A hearing was convened on September 11, 2006, at 10:00 a.m. in the Commission's Law Library, Columbia, South Carolina, before David Butler, Hearing Examiner. Managed Services was represented by D. Reece Williams, III, Esquire, and Latrinda D. Simpson, Esquire. The Office of Regulatory Staff ("ORS") was represented by Jeffrey M. Nelson, Esquire. The South Carolina Telephone Coalition did not appear at the hearing.

Steve Maginnis, President/CEO of the Company, appeared and testified in support of the Application. The record reveals that Managed Services is incorporated in North Carolina and has registered to transact business in South Carolina as a foreign corporation. According to Mr. Maginnis, the company seeks authority both as a facilities-based provider and as a reseller of local services and as a reseller of interexchange services. Mr. Maginnis explained the Company's request for authority, and

the record further reveals the Company's services, operations, and marketing procedures. The Company's primary market is residential, but the Company may serve business customers as well. Managed Services has received authority to provide local services in North Carolina.

Mr. Maginnis also discussed Managed Services' technical, financial, and managerial resources to provide the services for which it seeks authority. Mr. Maginnis offered that Managed Services possesses sufficient financial resources to support its operations in South Carolina.

With regard to management and technical capabilities, the Company's Application and Mr. Maginnis' testimony both evidence that Managed Services management has extensive experience in telecommunications, information technology, regulatory matters, and accounting and finance. Mr. Maginnis also testified that Managed Services will operate in accordance with Commission rules, regulations, guidelines, and Commission Orders.

Mr. Maginnis offered that approval of Managed Services' Application would serve the public interest by increasing the level of competition in South Carolina. Although Mr. Maginnis presently operates the business within the State of South Carolina, Mr. Maginnis, on behalf of the Company, requests a waiver of 26 S.C. Code Ann. Regs.103-610 in case the Company's books and records are housed in another State in the future. Further, the Company requests an exemption from record keeping policies that require maintenance of financial records in conformance with the Uniform System of Accounts ("USOA"). Managed Services maintains its books in accordance with

Generally Accepted Accounting Principles (“GAAP”). In addition, the Company requests that it not be required to publish local exchange directories or furnish operating area maps, and therefore requests waivers of 26 S.C. Code Ann. Regs. 103-631 and 103-612.2.3, respectively.

After full consideration of the applicable law, the Company’s Application, and the evidence presented at the hearing, the Commission hereby issues its findings of fact and conclusions of law:

FINDINGS OF FACT

1. Managed Services is incorporated under the laws of the State of North Carolina and is authorized to do business as a foreign corporation in South Carolina by the Secretary of State.
2. Managed Services desires to operate as a provider of facilities-based and resold local and resold interexchange services in South Carolina.
3. We find that Managed Services possesses the managerial experience and capability to operate as a provider, on a facilities basis or through resale, of local services, and as a provider through resale, of interexchange services in South Carolina.
4. We find, based on the financial statements submitted by the Company, that Managed Services possesses sufficient financial resources to provide the services as described in its Application and testimony.
5. We find that the issuance of a Certificate of Public Convenience and Necessity to Managed Services to operate as a facilities-based and/or reseller of local exchange telecommunications and as a reseller of interexchange services in South

Carolina would be in the best interest of the citizens of South Carolina by increasing the level of competition in South Carolina, by providing an alternative source for telecommunications services, and by creating incentives for lower prices, more innovative services, and more responsive customer service.

7. Managed Services requests a waiver of 26 S.C. Code Ann. Regs. 103-610. The Commission finds Managed Services requested waiver reasonable and understands the potential difficulty presented to Managed Services should the waiver not be granted. Further, we find that a waiver of 26 S.C. Code Ann. Regs. 103-610 to be in the public interest. We also believe that exemption from the policies that would require the Company to keep its records under the USOA is reasonable. Additionally we find that a waiver of 26 S.C. Code Ann. Regs. 103-631 and 103-612.2.3 is reasonable and in the public interest.

8. The Company has the managerial, technical, and financial resources to provide the services as described in its Application. S.C. Code Ann. Section 58-9-280 (B) (1) (Supp. 2005).

9. The Commission finds that the Company's "provision of service will not adversely impact the availability of affordable local exchange service." S.C. Code Ann. Section 58-9-280 (B) (3) (Supp. 2005).

10. The Commission finds that the Company will support universally available telephone service at affordable rates. S.C. Code Ann. Section 58-9-280 (B) (4) (Supp. 2005).

11. The Commission finds that services to be provided by the Company will meet the service standards of the Commission. S.C. Code Ann. Section 58-9-280 (B) (2) (Supp. 2005).

12. The Commission finds that the provision of local exchange service by the Company “does not otherwise adversely impact the public interest.” S.C. Code Ann. Section 58-9-280(B)(5) (Supp. 2005).

13. Following execution of a Stipulation with intervenor South Carolina Telephone Coalition (“SCTC”), the SCTC withdrew its opposition to the Application.

CONCLUSIONS OF LAW

1. The Commission concludes that Managed Services possesses the managerial, technical, and financial resources to provide the telecommunications services as described in its Application.

2. The Commission concludes that Managed Services will participate in the support of universally available telephone service at affordable rates to the extent that Managed Services may be required to do so by the Commission.

3. The Commission concludes that Managed Services will provide services which will meet the service standards of the Commission.

4. The Commission concludes that approval of Managed Services’ Application to provide intrastate telecommunications services within South Carolina will serve the public interest by enhancing competition in the State of South Carolina by offering additional service offerings to South Carolina’s consumers and by providing for efficient use of existing telecommunications resources.

5. The Commission concludes that the provision of telecommunications service by Managed Services will not adversely impact the public interest.

6. The Commission concludes that the issuance of the authority to provide intrastate local exchange and interexchange telecommunications services as requested by Managed Services and as set forth in its Application and Mr. Maginnis' testimony is in the best interests of the citizens of the State of South Carolina.

7. The Commission concludes that a Certificate of Public Convenience and Necessity should be granted to Managed Services to provide facilities-based and resold intrastate local exchange telecommunications services and resold intrastate interexchange telecommunications services.

8. The Commission adopts a rate design for Managed Services for its residential interexchange services which includes maximum rate levels for each tariff charge. A rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels has been previously adopted by the Commission. In Re: Application of GTE Sprint Communications Corporation, etc., Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984).

9. Managed Services shall not adjust its residential interexchange rates below the approved maximum level without notice to the Commission and to the public. Managed Services shall file its proposed rate changes, publish its notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. However, the public notice requirement is waived, and therefore not required, for reductions below the maximum cap in instances which do not affect the

general body of subscribers or do not constitute a general rate reduction. In Re: Application of GTE Sprint Communications, etc., Order No. 93-638, issued in Docket No. 84-10-C (July 16, 1993). Any proposed increase in the maximum rate level for residential interexchange services reflected in the tariff which would be applicable to the general body of the Company's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S.C. Code Ann. §58-9-540 (Supp.2005).

10. The Commission concludes that Managed Services' intrastate interexchange business telecommunications services shall be regulated in accordance with the principles and procedures established for alternative regulation of business service offerings set out in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C. The Commission has previously granted this "alternative regulation" to competitive intrastate interexchange carriers operating within South Carolina, and the Commission concludes that the competitive marketplace requires the Commission to allow this flexible regulation to those carriers which request it. Specifically, the Commission-approved alternative regulation allows business service offerings, including consumer card services and operator services, to be subject to a relaxed regulatory scheme identical to that granted to AT&T Communications in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C. However, pursuant to Order No. 2001-997 (Docket No. 2000-407-C), this Commission has modified alternative regulation by the re-imposition of rate caps with regard to certain "operator-assisted calls" where a customer uses a local exchange carrier's calling card to complete calls from locations which have not selected that local

exchange carrier as the toll provider. Order No. 2001-997, dated November 8, 2001, imposed a maximum cap of \$1.75 for operator surcharges for such calls, and a maximum cap of \$0.35 related to the flat per-minute rate associated with these calls. Under this relaxed regulatory scheme, tariff filings for business services shall be presumed valid upon filing. The Commission will have seven (7) days in which to institute an investigation of any tariff filing. If the Commission institutes an investigation of a particular tariff filing within the seven days, the tariff filing will then be suspended until further Order of the Commission.

11. The Commission concludes the Company's local exchange telecommunications services shall be regulated in accordance with the principles and procedures established for flexible regulation first granted to NewSouth Communications by Order No. 98-165 in Docket No. 97-467-C. Specifically, the Commission adopts for the Company's competitive intrastate local exchange services a rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels approved by the Commission. Further, the Company's local exchange service tariff filings are presumed valid upon filing, subject to the Commission's right within thirty (30) days to institute an investigation of the tariff filing, in which case the tariff filing would be suspended pending further Order of the Commission. Further, any such tariff filings will be subject to the same monitoring process as similarly situated competitive local exchange carriers.

12. We conclude that Managed Services' request for waiver of 26 S.C. Code Ann. Regs. 103-610 should be granted as strict compliance with the regulation would

potentially cause undue hardship on Managed Services. We also grant exemption from the policies requiring the use of USOA. In addition, we grant waiver of 26 S.C. Code Ann. Regs. 103-631 which requires publication of a local telephone directory and 26 S.C. Code Ann. Regs. 103-612.2.3, which requires the filing of operating area maps.

13. The Stipulations between the parties should be approved.

IT IS THEREFORE ORDERED, ADJUDGED, AND DECREED THAT:

1. A Certificate of Public Convenience and Necessity should be granted to Managed Services to provide intrastate interLATA service and to originate and terminate toll traffic within the same LATA, as set forth herein, through resale of intrastate Wide Area Telecommunications Services (“WATS”), Message Telecommunications Service (“MTS”), Foreign Exchange Service, Private Line Service, or any other services authorized for resale by tariffs of carriers approved by the Commission, as well as to provide facilities-based or resold local exchange telecommunications services within the State of South Carolina. The Company is also specifically authorized to provide resold inbound and outbound interexchange telecommunications services and operator-assisted services.

2. The Company’s rate designs for its products shall conform to those designs described in Conclusions of Law above.

3. If it has not already done so by the date of issuance of this Order, Managed Services shall file its revised tariff and an accompanying price list for any applicable rates within thirty (30) days of receipt of this Order. The revised tariff shall be consistent with the findings of this Order and shall be consistent with the Commission’s

Rules and Regulations, as well as the provisions of the Managed Services-ORS Stipulation.

4. Managed Services is subject to access charges pursuant to Commission Order No. 86-584, in which the Commission determined that for access purposes resellers and facilities-based interexchange carriers should be treated similarly.

5. With regard to the Company's resale of service, an end-user should be able to access another interexchange carrier or operator service provider if the end-user so desires.

6. Managed Services shall resell the services of only those interexchange carriers or LECs authorized to do business in South Carolina by this Commission. If Managed Services changes underlying carriers, it shall notify the Commission in writing.

7. With regard to the origination and termination of toll calls within the same LATA, Managed Services shall comply with the terms of Order No. 93-462, Order Approving Stipulation and Agreement, in Docket Nos. 92-182-C, 92-183-C, and 92-200-C (June 3, 1993), with the exception of the 10-XXX intraLATA dialing requirement, which has been rendered obsolete by the toll dialing parity rules established by the FCC pursuant to the Telecommunications Act of 1996 (See, 47 CFR 51.209). Specifically, Managed Services shall comply with the imputation standard as adopted by Order No. 93-462 and more fully described in paragraph 4 of the Stipulation and Appendix B approved by Order No. 93-462.

8. Managed Services shall file annual financial information in the form of annual reports and gross receipts reports as required by the Commission. The annual

report and the gross receipt report will necessitate the filing of intrastate information. Therefore, Managed Services shall keep financial records on an intrastate basis for South Carolina to comply with the annual report and gross receipts filings. The proper form for filing annual financial information can be found at the Commission's website at www.psc.sc.gov/forms.asp or at the ORS's website at www.regulatorystaff.sc.gov. The title of this form is "Telecommunications Company Annual Report." This form shall be utilized by the Company to file annual financial information with the Commission and ORS and shall be filed no later than **April 1st**.

Commission gross receipts forms are due to be filed with the Commission and ORS no later than **August 31st** of each year. The proper form for filing gross receipts information can be found at the ORS website at www.regulatorystaff.sc.gov, and the appropriate form is entitled "Gross Receipts Form."

Each telecommunications company certified in South Carolina is required to file annually with the ORS the Intrastate Universal Service Fund ("USF") worksheet, which may be found on the ORS's website at www.regulatorystaff.sc.gov. This worksheet provides ORS information required to determine each telecommunications company's liability to the State USF fund. The Intrastate USF worksheet is due to be filed annually no later than **August 15th** with the Commission and ORS.

9. The Company shall, in compliance with Commission regulations, designate and maintain an authorized utility representative who is prepared to discuss, on a regulatory level, customer relations (complaint) matters, engineering operations, tests and repairs. In addition, the Company shall provide to the Commission and ORS in

writing the name of the authorized representative to be contacted in connection with general management duties as well as emergencies which occur during non-office hours. Managed Services shall file the names, addresses and telephone numbers of these representatives with the Commission within thirty (30) days of receipt of this Order. The “Authorized Utility Representative Information” form can be found at the Commission’s website at www.psc.sc.gov/forms.asp; this form shall be utilized for the provision of this information to the Commission and ORS. Further, the Company shall promptly notify the Commission and ORS in writing if the representatives are replaced.

10. The Company is directed to comply with all Rules and Regulations of the Commission, unless a regulation is specifically waived by the Commission.

11. At the hearing, Managed Services requested a waiver of 26 Code Ann. Regs. 103-610 (Supp. 2005), which requires that records required by the Commission’s Rules and Regulations be maintained in South Carolina. The Commission finds Managed Services’ requested waiver reasonable and understands the potential difficulty presented to Managed Services should the waiver not be granted. The Commission therefore grants the requested waiver. However, should Managed Services locate its offices outside of the State of South Carolina, Managed Services shall make available its books and records at all reasonable times upon request by the Office of Regulatory Staff, and Managed Services shall promptly notify the Commission and ORS if the location of its books and records changes.

12. Managed Services also requests that it be exempt from record keeping policies that require a carrier to maintain its financial records in conformance with the

Uniform System of Accounts. The USOA was developed by the FCC as a means of regulating telecommunications companies subject to rate base regulation. As a competitive carrier, Managed Services maintains its book of accounts in accordance with Generally Accepted Accounting Principles. GAAP is used extensively by interexchange carriers and other providers. Accordingly, Managed Services requests an exemption from the USOA requirements. We grant the Company's request for the reasons stated above.

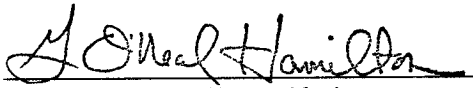
13. Managed Services is required to comply with Title 23, Chapter 47 of the South Carolina Code Annotated, which governs the establishment and implementation of a "Public Safety Communications Center," which is more commonly known as a "911" system or "911 service." Services available through a 911 system include law enforcement, fire, and emergency medical services. In recognition of the necessity of quality 911 services being provided to the citizens of South Carolina, the Commission hereby instructs Managed Services to contact the appropriate authorities regarding 911 service in the counties and cities where the Company will be operating, should the Company become interconnected to the public switched telephone network. Contact with the appropriate 911 service authorities is to be made before beginning local telephone service in South Carolina. Accompanying this Order is a memo from the State 911 Office of the Office of Research & Statistics of the South Carolina Budget and Control Board. This memo provides information about contacting County 911 Coordinators. By this Order and prior to providing local telephone services in South Carolina, Managed Services shall contact the 911 coordinator in each county (and city where the city has its

own 911 system) and shall provide information regarding the Company's operations as required by the 911 system.

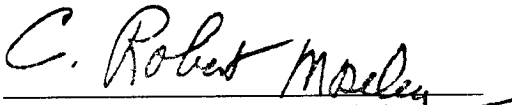
14. The Stipulations between the various parties are hereby approved.

15. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


G. O'Neal Hamilton, Chairman

ATTEST:


C. Robert Moseley, Vice Chairman

(SEAL)

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2006-154-C

IN RE:

Application of Managed Services, Incorporated for a)
Certificate of Public Convenience and Necessity to)
Provide Facilities-Based Local Exchange, and Resold)
Local Exchange Services, Resold Long Distance)
Telecommunications Services and for Flexible Regulation)
of Its Local Exchange Services and Alternative Regulation)
of Its Long Distance Service Offerings)

AMENDED
STIPULATION

This Settlement Agreement ("Settlement Agreement") is made by and among the Office of Regulatory Staff ("ORS") and Managed Services, Incorporated ("MSI" or "the Company"), (collectively referred to as the "Parties" or sometimes individually as "Party");

WHEREAS, on June 9, 2006, MSI filed its Application requesting a Certificate of Public Convenience and Necessity to Provide Facilities-Based Local Exchange, and Resold Local Exchange Services, Resold Long Distance Telecommunications Services and for Flexible Regulation of its Local Exchange Services and Alternative Regulation of its Long Distance Service Offerings consistent with the procedures established in Order No. 98-165 in Docket No. 97-467-C, and for alternative regulation of its long distance services consistent with the procedures approved by Order Nos. 95-1734 and 96-55 in Docket No. 95-661 and as modified by Order No. 2001-997 in Docket No. 2000-407-C. MSI proposes to offer facilities-based local exchange, resold local exchange services and

resold long distance telecommunications services to residential and business customers in the state of South Carolina. These services will be provided using leased network elements provided pursuant to Section 251 and leased network elements provided pursuant to Section 271. MSI's services will include, but will not be limited to, custom calling features and bundled services in a combined package. In addition, the Company will provide to its customers additional custom calling features, access to emergency call services (e.g. 911), directory assistance and other ancillary services. The Company also plans to commence offering services upon the execution of the appropriate and necessary interconnection agreements with the appropriate Incumbent Local Exchange Carriers ("ILECs"). Local exchange services will be provided in the geographic areas served by various ILEC and MSI plans to offer its various services on a statewide basis.

WHEREAS, on June 14, 2006, the Office of Regulatory Staff ("ORS") filed a Notice of Appearance in this matter;

WHEREAS, on June 15, 2006, the Public Service Commission of South Carolina (the "Commission") issued a Notice of Filing and Hearing and set return dates for the hearing in the above captioned matter scheduled to be heard before a Hearing Examiner on September 11, 2006;

WHEREAS, on July 3, 2006, the Commission issued an Order appointing Mr. F. David Butler as the Hearing Examiner in this matter;

WHEREAS, on July 12, 2006, the South Carolina Telephone Coalition ("SCTC") filed a Petition to Intervene in this matter;

WHEREAS, on July 31, 2006, MSI filed a Motion to Amend its Business Plan to replace information previously submitted to the Commission in its original Application;

WHEREAS, on August 2, 2006, MSI pre-filed testimony of Steve Maginnis, President and CEO of Applicant;

WHEREAS, on August 11, 2006, the SCTC filed a stipulation between the SCTC and MSI;

WHEREAS, on August 16, 2006, the Commission issued a Directive by way of the Hearing Examiner, F. David Butler, granting MSI's Motion to Amend its Business Plan;

WHEREAS, on September 5, 2006 ORS filed a stipulation between ORS and MSI;

WHEREAS, this matter was heard before Hearing Examiner F. David Butler on September 11, 2006 at 10:00 a.m.;

WHEREAS, the purpose of the proceeding was to review the application filed by MSI and its request for a Certificate of Public Convenience and Necessity to provide facilities-based local exchange, resold local exchange services, and resold long distance telecommunications services to residential and business customers, and for flexible regulation of its local exchange service offerings consistent with the procedures approved in Order No. 98-165 in Docket No. 97-467-C, and for alternative regulation approved by Order Nos. 95-1734 and 96-55 in Docket No. 95-661 and as modified by Order No. 2001-997 in Docket No. 2000-407-C.

WHEREAS, at the hearing on September 11, 2006, ORS and MSI agreed to amend their previously filed stipulation to comply with testimony provided at the hearing regarding the authority being sought by MSI, which is reflected by the execution and submission of this Amended Stipulation.

WHEREAS, since the filing of the notice, ORS has conducted a review of the technical, managerial, and financial expertise of the Company to provide such services;

WHEREAS, ORS has reviewed the Application and the financial data provided by the Company;

WHEREAS, ORS has investigated the services to be offered by MSI and its intended customer service plans;

WHEREAS, ORS has reviewed the proposed tariffs submitted by MSI;

WHEREAS, as a result of its investigations, ORS has determined a) MSI intends to offer facilities-based local exchange, resold local exchange services, and resold long distance telecommunications services to customers throughout the geographic service territory of various ILECS; b) the Company does not intend to offer prepaid calling cards at this time, but MSI will file the necessary paperwork with the Commission should it decide to offer such service; c) the officer of MSI possesses sufficient technical and managerial abilities to adequately provide the services applied for; d) based upon the information provided and the analysis performed, MSI appears to have access to sufficient financial resources necessary to provide the services proposed in its application; e) the services provided by MSI will meet the service standards required by the Commission; f) the provision of services by the Company will not adversely impact the availability of affordable telecommunications services; g) to the extent it is required to do so by the Commission, MSI will participate in the support of universally available telephone service at affordable rates; h) the providing of facilities-based local exchange, resold local exchange services, and resold long distance telecommunications services by MSI will not adversely impact the public interest; i) MSI has initiated negotiations or will

negotiations or will initiate negotiations with incumbent local exchange carriers for interconnection agreements applicable to services to be provided in South Carolina; j) MSI does not plan to require deposits or guarantees for new homeowners; and k) MSI will bill its end-user customers directly for its services.

WHEREAS, to ensure compliance with the Commission's statutes and regulations, the Parties have agreed to the following comprehensive settlement of all issues in this docket;

WHEREFORE, in the spirit of compromise, the Parties hereby stipulate and agree to the following terms and conditions:

- 1) The Parties agree that MSI's Application and exhibits to the Application are incorporated into this Amended Stipulation and made a part hereof;
- 2) The Parties agree to stipulate into the record before the Commission this Amended Stipulation. The Parties also agree to stipulate to the pre-filed testimony and exhibit of MSI Witness Steve Maginnis without cross-examination by ORS;
- 3) MSI agrees to provide, and has already submitted, financial data which was originally provided as exhibit C to its Application, but was replaced by MSI's Motion to Amend its Business Plan, which included new financial data in Exhibits 1, 2 and 3 attached thereto and said Motion having been granted by the Commission, and, therefore said financial data is incorporated by reference;
- 4) MSI agrees to comply with South Carolina Code Section § 58-9-300 entitled "Abandonment of Service." Additionally, MSI agrees to adhere to

the Federal Communication Commission rule 47 C.F.R. § 64.1190 and 64.1130 regarding preferred carrier freezes and the requirement that the form of the written authorization for the institution of the freeze be a separate or easily separable document. Prior to abandonment of service, MSI shall remove any preferred carrier freeze so as to enable consumers to seamlessly transfer their telephone numbers to another provider;

- 5) The Company agrees to comply with Title 23, Chapter 47 of the South Carolina Code Annotated, which governs the establishment and implementation of a "Public Safety Communications Center," also known as 911 services." At that time, the Company agrees to contact the appropriate authorities regarding 911 services in the counties and cities where the Company will be operating prior to initiating local service in South Carolina and shall provide the 911 coordinator in each county and/or city with information regarding the Company's operations. Attached as Exhibit 1 to this Amended Stipulation is a memorandum from the State 911 Office which provides contact information for the County 911 Coordinators;
- 6) The Parties agree that the Company should be granted a Certificate of Public Convenience and Necessity to provide facilities-based local exchange service, resold local exchange services, and resold long distance telecommunications services within the state of South Carolina;
- 7) ORS does not oppose the Company's request for waiver of (a) 26 S.C. Code Ann. Regs. 103-62.2.3 (operating area maps), (b) 26 S.C. Code Ann.

Regs. 103-631 (publication of directories), and (c) any Commission policies or rules requiring a carrier to maintain its financial records in conformance with the Uniform System of Accounts (“USOA”).

- 8) ORS does not oppose the Company’s request that its local exchange services be regulated in accordance with the principles and procedures established for flexible regulation in Order No. 98-165 in Docket No. 97-467-C or that its long distance service offerings be regulated in accordance with the principles and procedures established for alternative regulation in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C as modified by Commission Order No. 2001-997 in Docket No. 2000-407-C;
- 9) MSI agrees to resell the services of only those carriers authorized to do business in South Carolina by the Commission;
- 10) MSI agrees that the Company will allow an end-user of resold services to access an alternative carrier or operator service provider if the end-user expresses such a desire;
- 11) MSI agrees to engage in good faith negotiations with non-BellSouth incumbent local exchange carriers whose networks interconnect with BellSouth at the same local tandem regarding traffic exchange;
- 12) The Company agrees to file necessary financial information with the Commission and ORS for universal service fund reporting, annual reporting and/or gross receipts reporting;

- 13) ORS is charged by law with the duty to represent the public interest of South Carolina pursuant to S.C. Code § 58-4-10 (B) (added by Act 175).

S.C. Code § 58-4-10(B)(1) through (3) read in part as follows:

... 'public interest' means a balancing of the following:

- (1) concerns of the using and consuming public with respect to public utility services, regardless of the class of customer;
- (2) economic development and job attraction and retention in South Carolina; and
- (3) preservation of the financial integrity of the State's public utilities and continued investment in and maintenance of utility facilities so as to provide reliable and high quality utility services.

ORS believes the Settlement Agreement reached among the Parties serves the public interest as defined above;

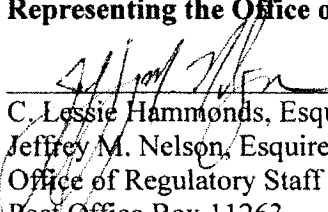
- 14) The Parties agree to advocate that the Commission accept and approve this Settlement Agreement in its entirety as a fair, reasonable and full resolution of all issues in the above-captioned proceeding and to take no action inconsistent with its adoption by the Commission. The Parties further agree to cooperate in good faith with one another in recommending to the Commission that this Settlement Agreement be accepted and approved by the Commission. The Parties agree to use reasonable efforts to defend and support any Commission order issued approving this Settlement Agreement and the terms and conditions contained herein.
- 15) The Parties agree that signing this Settlement Agreement will not constrain, inhibit, impair or prejudice their arguments or positions held in other collateral proceedings, nor will it constitute a precedent or evidence

of acceptable practice in future proceedings. If the Commission declines to approve the Settlement Agreement in its entirety, then any Party desiring to do so may withdraw from the Settlement Agreement in its entirety without penalty or obligation.

- 16) This Settlement Agreement shall be interpreted according to South Carolina law.
- 17) The above terms and conditions fully represent the agreement of the Parties hereto. Therefore, each Party acknowledges its consent and agreement to this Settlement Agreement by affixing its signature or by authorizing counsel to affix his or her signature to this document where indicated below. Counsel's signature represents his or her representation that his or her client has authorized the execution of the agreement. Facsimile signatures and email signatures shall be as effective as original signatures to bind any party. This document may be signed in counterparts, with the original signature pages combined with the body of the document constituting an original and provable copy of this Settlement Agreement. The Parties agree that in the event any Party should fail to indicate its consent to this Settlement Agreement and the terms contained herein, then this Settlement Agreement shall be null and void and will not be binding on any Party.

WE AGREE:

Representing the Office of Regulatory Staff

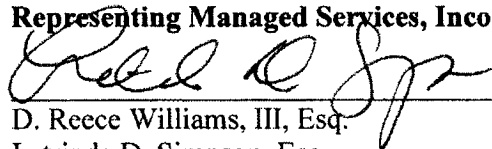


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WE AGREE:

Representing Managed Services, Incorporated



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Attorneys for Managed Services, Incorporated

STATE OF SOUTH CAROLINA
State Budget and Control Board
OFFICE OF RESEARCH & STATISTICS

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GOVERNOR

GRADY L. PATTERSON, JR.
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ROBERT W. HARRELL, JR.
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COLUMBIA, SOUTH CAROLINA 29201

Bobby Bowers
DIRECTOR

August 2, 2004

To: Telephone Companies New to South Carolina

In an effort to continue providing quality emergency services to the citizens of South Carolina, the State 911 Office requests that before beginning telephone services in a county, you contact the 911 Coordinator in that county. This will allow both parties to obtain important information about providing 911 services in that county. If you have already begun services, then contact the coordinator as soon as possible.

A list of County 911 Coordinators can be found on the South Carolina E911 homepage at www.ors.state.sc.us/digital/E-911.ASP. If you have any questions related to 911 in South Carolina, you may contact E911 Coordinations at the Office of Research and Statistics at 803-734-3883. The person responsible for this can also be found on the 911 homepage. Please be aware that some cities may have their own E911 systems, these are also listed on the 911 homepage. These city coordinators will need to be contacted in addition to the county coordinators.

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COLUMBIA, S.C. 29201
WALTER P. BAILEY, M.P.H.
(803) 898-9941

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

Docket No. 2006-154-C

RECEIVED
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SC PUBLIC SERVICE
COMMISSION

Re: Application of Managed Services, Inc. for a)
Certificate of Public Convenience and Necessity)
to Provide Resold Local Exchange Services,)
Facilities-based Local Exchange Service and)
Resold Long Distance Service in the State of)
South Carolina)
_____)

STIPULATION

The South Carolina Telephone Coalition ("SCTC") (see attachment "A" for list of companies) and Managed Services, Inc. ("Managed Services") hereby enter into the following stipulations. As a consequence of these stipulations and conditions, SCTC does not oppose Managed Services' Application. SCTC and Managed Services stipulate and agree as follows:

1. SCTC does not oppose the granting of a statewide Certificate of Public Convenience and Necessity to Managed Services, provided the South Carolina Public Service Commission ("Commission") makes the necessary findings to justify granting of such a certificate, and provided the conditions contained within this stipulation are met.
2. Managed Services stipulates and agrees that any Certificate which may be granted will authorize Managed Services to provide service only to customers located in non-rural local exchange company ("LEC") service areas of South Carolina, except as provided herein.
3. Managed Services stipulates that it is not asking the Commission to make a finding at this time regarding whether competition is in the public interest for rural areas.
4. Managed Services stipulates and agrees that it will not provide any local service, by its own facilities or otherwise, to any customer located in a rural incumbent LEC's service area, unless

and until Managed Services provides such rural incumbent LEC and the Commission with written notice of its intent to do so at least thirty (30) days prior to the date of the intended service. During such notice period, the rural incumbent LEC will have the opportunity to petition the Commission to exercise all rights afforded it under Federal and State law. Also, Managed Services acknowledges that the Commission may suspend the intended date for service in rural LEC territory for ninety (90) days while the Commission conducts any proceeding incident to the Petition or upon the Commission's own Motion, provided that the Commission can further suspend the implementation date upon showing of good cause.

5. Managed Services stipulates and agrees that, if Managed Services gives notice that it intends to serve a customer located in a rural incumbent LEC's service area, and either (a) the Commission receives a Petition from the rural incumbent LEC to exercise its rights under Federal or State law within such 30-day period, or (b) the Commission institutes a proceeding of its own, then Managed Services will not provide service to any customer located within the service area in question without prior and further Commission approval.

6. Managed Services acknowledges that any right which it may have or acquire to serve a rural telephone company service area in South Carolina is subject to the conditions contained herein, and to any future policies, procedures, and guidelines relevant to such proposed service which the Commission may implement, so long as such policies, procedures, and guidelines do not conflict with Federal or State law.

7. The parties stipulate and agree that all rights under Federal and State law are reserved to the rural incumbent LECs and Managed Services, and this Stipulation in no way suspends or adversely affects such rights, including any exemptions, suspensions, or modifications to which they may be entitled.

8. Managed Services agrees to abide by all State and Federal laws and to participate, to the extent it may be required to do so by the Commission, in the support of universally available

Docket No. 2006-154-C

Order No. 2006-602

October 13, 2006

telephone service at affordable rates.

9. Managed Services hereby amends its application and its prefiled testimony in this docket to the extent necessary to conform with this Stipulation.

AGREED AND STIPULATED to this 10th day of August,
2006.

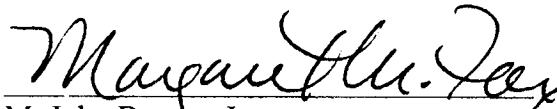
Managed Services, Inc.

South Carolina Telephone Coalition:



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Attorneys for the South Carolina Telephone
Coalition

Docket No. 2006-154-C

Order No. 2006-602

October 13, 2006

ATTACHMENT A

South Carolina Telephone Coalition Member Companies
for Purposes of Local Service Stipulation

ALLTEL South Carolina, Inc.
Chesnee Telephone Company
Chester Telephone Company
Farmers Telephone Cooperative, Inc.
Ft. Mill Telephone Company
Home Telephone Company, Inc.
Lancaster Telephone Company
Lockhart Telephone Company
McClellanville Telephone Company
Norway Telephone Company
Palmetto Rural Telephone Cooperative, Inc.
Piedmont Rural Telephone Cooperative, Inc.
Pond Branch Telephone Company
Ridgeway Telephone Company
Rock Hill Telephone Company
Sandhill Telephone Cooperative, Inc.
St. Stephen Telephone Company
West Carolina Rural Telephone Cooperative, Inc.
Williston Telephone Company